

WHGC, P.L.C.

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HUEY JIUAN LIANG

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

HUEY JIUAN LIANG, an individual,

Plaintiff,

v.

AWG REMARKETING, INC., a New
Jersey corporation; GROUP 3
AUCTIONS, LLC, an Ohio limited
liability company; COLUMBUS FAIR
AUTO AUCTION, INC., an Ohio
corporation; PETER M. LEVY, an
individual; MARC HOLSTEIN, an
individual; KEITH WHANN, an
individual; and DOES 1 through 25,
inclusive,

Defendant.

CASE NO. 8:16-cv-00252

**COMPLAINT FOR COPYRIGHT
INFRINGEMENT**

NATURE OF THE ACTION AND THIS COURT'S JURISDICTION

1. This is an action for copyright infringement arising under the Copyright Act of 1976, 17 U.S.C. §§101 et. seq., and for related claims of contributory infringement, and inducement to infringe. This Court has jurisdiction of this action under 28 U.S.C. §§1331, 1338(a) and (b).

2. Venue is proper in this district under 28 U.S.C. §§1391 and 1400(a) as each and all of the Defendants conduct business in this district.

PARTIES

3. Plaintiff, Huey Jiuan Liang, is an individual residing in Orange County, California. Plaintiff was a partner in the California limited liability company, Automotive Remarketing Xchange, LLC (hereinafter “ARX LLC”). Plaintiff is the successor-in-interest to ARX LLC, and hereby the exclusive holder of all of its rights, title and interest in and to ARX LLC’s property including ARX LLC’s intellectual property and all applicable copyrights.

4. Upon information and belief, Defendant AWG Remarketing, Inc. (hereinafter “AWG”) is a New Jersey corporation. AWG is in the automotive wholesale auction software business.

5. Upon information and belief, Defendant Group 3 Auctions, LLC (hereinafter “G3”) is an Ohio limited liability company. G3 is in the automotive wholesale auction software business.

6. Upon information and belief, Defendant Columbus Fair Auto Auction, Inc. (hereinafter “CFAA”) is an Ohio corporation. CFAA is in the automotive wholesale auction business.

7. Defendant Peter M. Levy (“Levy”) is a former member of ARX LLC, a part owner of Defendant G3, and an individual residing in California.

8. Defendant Marc Holstein (“Holstein”) is a former member of ARX LLC, a part owner of Defendant G3, a former employee of Defendant AWG, and an individual residing in New Jersey.

9. Defendant Keith Whann (“Whann”) is a part owner of Defendant CFAA and G3, and an individual residing in Ohio.

10. Defendants Does 1 through 25, whose identities and addresses are unknown to Plaintiff, are individuals and/or corporate entities that are engaged in the unlawful activities complained of herein. The Complaint will be amended, if appropriate, to include the name or names of these individuals and/or corporate entities when such information becomes available.

No.	Registration	Title	Owner
1	TX 7-718-189	Automotive Remarketing Xchange Computer Code AU	ARX
2	TX 7-718-190	Automotive Remarketing Xchange Computer Code DH	ARX
3	TX 7-718-192	Automotive Remarketing Xchange Computer Code DS	ARX
4	TX 7-718-195	Automotive Remarketing Xchange Computer Code FA	ARX
5	TX 7-718-196	Automotive Remarketing Xchange Computer Code NR	ARX
6	TX 7-718-198	Automotive Remarketing Xchange Computer Code ST	ARX
7	TX 7-718-203	Automotive Remarketing Xchange Computer Code UB	ARX
8	TX 7-718-209	Automotive Remarketing Xchange Computer Code TC	ARX
9	TXu 7-861-429	Automotive Remarketing Xchange Computer Code BR	ARX
10	TXu 7-861-430	Automotive Remarketing Xchange Computer Code DA	ARX
11	TXu 7-861-432	Automotive Remarketing Xchange Computer Code DR	ARX
12	TXu 7-861-439	Automotive Remarketing Xchange Computer Code EP	ARX
13	TXu 7-861-435	Automotive Remarketing Xchange Computer Code FT	ARX
14	TXu 7-861-434	Automotive Remarketing Xchange Computer Code IA	ARX
15	TXu 7-861-436	Automotive Remarketing Xchange Computer Code PA	ARX

16	TXu 7-861-437	Automotive Remarketing Xchange Computer Code TA	ARX
17	TXu 7-861-609	Automotive Remarketing Xchange Computer Code TS	ARX
18	VA 1-860-096	ARX Computer Webpage AD	ARX
19	VA 1-860-106	ARX Computer Webpage AH	ARX
20	VA 1-860-155	ARX Computer Webpage AS	ARX
21	VA 1-860-112	ARX Computer Webpage AU	ARX
22	VA 1-860-165	ARX Computer Webpage FA	ARX
23	VA 1-860-161	ARX Computer Webpage FB	ARX
24	VA 1-860-159	ARX Computer Webpage FF	ARX
25	VA 1-860-110	ARX Computer Webpage FM	ARX
26	VA 1-860-143	ARX Computer Webpage FQ	ARX
27	VA 1-860-144	ARX Computer Webpage FS	ARX
28	VA 1-860-153	ARX Computer Webpage FT	ARX
29	VA 1-860-098	ARX Computer Webpage VA	ARX
30	VA 1-860-095	ARX Computer Webpage XA	ARX

1 17. Instead of selling or marketing the ARX Program to others who would
2 use it to interface with AWG's automotive auctions, ARX LLC set forth plans to
3 acquire AWG in order to fully integrate the ARX Program with AWG's robust
4 database of automotive vehicles and clients.

5 18. From at least as early as late 2010, AWG worked with ARX LLC in
6 hosting the ARX Program and preparing for its restricted internet launch in January
7 of 2011.

8 19. Throughout 2011, ARX LLC continued to customize the Program with
9 unique features, such as an integrated arbitration system, the xCentral system, which
10 is a personalized control panel that enables a dealer (such as Defendant CFAA), to
11 monitor their transactions from the time of purchase or sale to delivery, and a dealer
12 ratings system showing the number of deals closed, the number of returns, and
13 customer ratings.

14 20. Since the creation of the ARX Program in late 2010, Plaintiff and ARX
15 LLC have expended substantial amounts of money for research and development in
16 order to improve and update the ARX Program. Start-up capital alone for Plaintiff
17 totaled nearly \$700,000.00, which provided the financial backing necessary for the
18 development of the ARX Program.

19 21. ARX LLC included as members, Plaintiff as well as Defendants, Levy
20 and Holstein.

21 22. Holstein represented to ARX LLC that he was a partial owner and
22 manager of AWG, and that AWG was receptive to being bought by ARX LLC.

23 23. ARX LLC and AWG worked together collaboratively in 2010 and
24 2011, and as part of this collaboration ARX LLC stored its ARX Program on servers
25 controlled by AWG.

26 24. Holstein misrepresented his position with AWG; he was not an owner
27 and he had not discussed with AWG's ownership the purchase of AWG by ARX
28 LLC.

1 25. Holstein and Levy, without informing Plaintiff or ARX LLC, formed
2 G3 for the purpose of purchasing AWG, and G3 did purchase AWG in about
3 December of 2011.

4 26. CFAA and Whann contributed to the funding of G3, which allowed it to
5 make the purchase of AWG.

6 27. Since the ARX Program was stored on AWG servers, G3, on
7 information and belief, gained access to the proprietary source code of Plaintiff's
8 ARX Program after it purchased AWG.

9 28. AWG and G3 subsequently altered the ARX Program to allow others to
10 access it while prohibiting Plaintiff from accessing the program, resulting in
11 unauthorized and unconsented access to the ARX Program.

12 29. Defendant Whann has an ownership interest in Defendant G3 and
13 CFAA.

14 30. Upon termination and/or dissolution of ARX LLC, Plaintiff became the
15 owner of all its assets by operation of law.

16 31. Without permission from Plaintiff, G3 and CFAA began to, and
17 continue to, use the ARX program.

18 32. Without permission from Plaintiff, other entities, which Whann
19 maintains an ownership or other interest in, began and continue to use the ARX
20 Program at the encouragement and/or direction of Whann.

21 33. Plaintiff is informed and believes that since December of 2011,
22 Defendants have knowingly and willfully prepared derivative works of the original
23 ARX Program, reproduced the ARX Program, distributed copies of the ARX
24 Program, encouraged others to use the ARX Program, and otherwise used the ARX
25 Program, all without the consent, permission or authorization of Plaintiff.

26 34. Plaintiff has demanded that Defendants, and each of them, cease their
27 infringing activities with respect to the ARX Program. Moreover, Defendants have
28

1 knowledge of Plaintiff's ownership of the copyrights in, of and to the ARX Program
2 but nonetheless continue their infringing activities.

3 35. The natural, probable, and foreseeable result of Defendants' conduct
4 has been to deprive Plaintiff of licensing revenue and to impose substantial expenses
5 on Plaintiff to enjoy the rights of her intellectual property and copyrights.

6 36. Plaintiff is informed and believes that unless enjoined by this Court,
7 Defendants intend to continue their course of conduct, and to wrongfully use,
8 infringe upon, and otherwise profit from the ARX Program.

9 37. As a direct and proximate result of the acts of the Defendants, as stated
10 above, Plaintiff has already and continues to suffer irreparable damage and sustain
11 lost profits.

12 38. Plaintiff has no adequate remedy at law to redress all of the injuries the
13 Defendants have caused and intend to cause by their conduct. Plaintiff will continue
14 to suffer irreparable damage and to sustain lost profits until the Defendants' actions
15 alleged above are enjoined by this Court.

16 **COUNT I**

17 **(COPYRIGHT INFRINGEMENT)**

18 39. Plaintiff realleges and restates paragraphs 1 through 38 as if fully set
19 forth herein.

20 40. Plaintiff is the owner of valid and subsisting United States Copyright
21 Registrations for the ARX Program, including its code and displays.

22 41. By continuing to use the ARX Program as described herein, Defendants
23 are infringing Plaintiff's copyrighted works without approval or authorization by
24 Plaintiff pursuant to 17 U.S.C. § 501.

25 42. Plaintiff is entitled to recover from Defendants the amount of her actual
26 damages and profits incurred as a result of the infringement under 17 U.S.C. § 504,
27 in such amount as is shown by appropriate evidence upon the trial of this case, or in
28 the alternative, statutory damages under 17 U.S.C. § 504(c).

49. Defendants' continued unlicensed use of the ARX Program is without authorization and infringes the copyright in the ARX Program, under which Plaintiff holds the sole, exclusive rights to publish, exploit, use and distribute the ARX Program.

50. Each Defendant conspired to, with one or more Defendants, and did significantly facilitate copyright infringement by causing others to use the ARX Program, and knowingly and materially contributed to the infringement of the ARX Program.

51. Such actions by Defendants were intentional, willful, wanton, and performed in total disregard of the rights of Plaintiff.

PRAAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests judgment against the Defendants as follows:

a. That the Court issue injunctive relief against Defendants, and that Defendants, its directors, principals, officers, agents, representatives, servants, employees, attorneys, successors and assigns, and all others in active concert or participation with Defendants, be enjoined and restrained from copying, modifying, distributing or making any other infringing use of Plaintiff's ARX Program;

b. That the Court order Defendants to pay Plaintiff's actual and consequential damages incurred, in an amount to be determined at trial or, in the alternative, statutory damages as set forth in 17 U.S.C. § 504(c);

c. That the Court order Defendants to account for and disgorge to Plaintiff all profits derived by Defendants from their unlawful acts;

d. That the Court order Defendants to pay Plaintiff's litigation expenses, including reasonable attorney's fees and costs of this action; and

e. That the Court grant Plaintiff any such further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: February 12, 2016

Respectfully submitted,

/s/ Paul N. Tauger

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